

1 H.887

2 Representatives Kornheiser of Brattleboro and Demrow of Corinth move  
3 that the House concur in the Senate proposal of amendment with further  
4 proposal of amendment as follows:

5 By striking out all after the enacting clause and inserting in lieu thereof the  
6 following:

7 Sec. 1. THE COMMISSION ON THE FUTURE OF PUBLIC  
8 EDUCATION; REPORTS

9 (a) Creation. There is hereby created the Commission on the Future of  
10 Public Education in Vermont. The right to education is fundamental for the  
11 success of Vermont’s children in a rapidly changing society and global  
12 marketplace as well as for the State’s own economic and social prosperity.  
13 The Commission shall study the provision of education in Vermont and make  
14 recommendations for a statewide vision for Vermont’s public education system  
15 to ensure that all students are afforded substantially equal educational  
16 opportunities in an efficient, sustainable, and stable education system. The  
17 Commission shall also make recommendations for the strategic policy changes  
18 necessary to make Vermont’s educational vision a reality for all Vermont  
19 students.

1        (b) Membership. The Commission shall be composed of the following  
2        members and, to the extent possible, the members shall represent the State’s  
3        geographic, gender, racial, and ethnic diversity:

4                (1) the Secretary of Education or designee;

5                (2) the Chair of the State Board of Education or designee;

6                (3) the Tax Commissioner or designee;

7                (4) one current member of the House of Representatives, appointed by  
8        the Speaker of the House;

9                (5) one current member of the Senate, appointed by the Committee on  
10        Committees;

11                (6) one representative from the Vermont School Boards Association  
12        (VSBA), appointed by the VSBA Executive Director;

13                (7) one representative from the Vermont Principals’ Association (VPA),  
14        appointed by the VPA Executive Director;

15                (8) one representative from the Vermont Superintendents Association  
16        (VSA), appointed by the VSA Executive Director;

17                (9) one representative from the Vermont National Education  
18        Association (VTNEA), appointed by the VTNEA Executive Director;

19                (10) one representative from the Vermont Association of School  
20        Business Officials (VASBO) with experience in school construction projects,  
21        appointed by the President of VASBO;

1           (11) the Chair of the Census-Based Funding Advisory Group, created  
2           under 2018 Acts and Resolves No. 173;

3           (12) the Executive Director of the Vermont Rural Education  
4           Collaborative; and

5           (13) one representative from the Vermont Independent Schools  
6           Association (VISA), appointed by the President of VISA.

7           (c) Steering group. On or before July 1, 2024, the Speaker of the House  
8           shall appoint two members of the Commission, the Committee on Committees  
9           shall appoint two members of the Commission, and the Governor shall appoint  
10           two members of the Commission to serve as members of a steering group. The  
11           steering group shall provide leadership to the Commission and shall work with  
12           a consultant or consultants to analyze the issues, challenges, and opportunities  
13           facing Vermont’s public education system, as well as develop and propose a  
14           work plan to formalize the process through which the Commission shall seek  
15           to achieve its final recommendations. The formal work plan shall be approved  
16           by a majority of the Commission members. The steering group shall form a  
17           subcommittee of the Commission to address education finance topics in greater  
18           depth and may form one or more additional subcommittees of the Commission  
19           to address other key topics in greater depth, as necessary. The steering group  
20           may appoint non-Commission members to the education finance

1 subcommittee. All other subcommittees shall be composed solely of  
2 Commission members.

3 (d) Collaboration and information review.

4 (1) The Commission shall seek input from and collaborate with key  
5 stakeholders, as directed by the steering group. At a minimum, the  
6 Commission shall consult with:

7 (A) the Department of Mental Health;

8 (B) the Department of Labor;

9 (C) the President of the University of Vermont or designee;

10 (D) the Chancellor of the Vermont State Colleges Corporation or  
11 designee;

12 (E) a representative from the Prekindergarten Education  
13 Implementation Committee;

14 (F) the Office of Racial Equity;

15 (G) a representative with expertise in the Community Schools model  
16 in Vermont;

17 (H) the Vermont Youth Council;

18 (I) the Commission on Public School Employee Health Benefits; and

19 (J) an organization committed to ensuring equal representation and  
20 educational equity.

1           (2) The Commission shall also review and take into consideration  
2           existing educational laws and policy, including legislative reports the  
3           Commission deems relevant to its work and, at a minimum, 2015 Acts and  
4           Resolves No. 46, 2018 Acts and Resolves No. 173, 2022 Acts and Resolves  
5           No. 127, and 2023 Acts and Resolves No. 76.

6           (e) Duties of the Commission. The Commission shall study Vermont’s  
7           public education system and make recommendations to ensure all students are  
8           afforded quality educational opportunities in an efficient, sustainable, and  
9           equitable education system that will enable students to achieve the highest  
10           academic outcomes. The result of the Commission’s work shall be a  
11           recommendation for a statewide vision for Vermont’s public education system,  
12           with recommendations for the policy changes necessary to make Vermont’s  
13           educational vision a reality. In creating and making its recommendations, the  
14           Commission shall engage in the following:

15           (1) Public engagement. The Commission shall conduct not fewer than  
16           14 public meetings to inform the work required under this section. At least one  
17           meeting of the Commission as a whole or a subcommittee of the Commission  
18           shall be held in each county. The Commission shall publish a draft of its final  
19           recommendations on or before October 1, 2025, solicit public feedback, and  
20           incorporate such feedback into its final recommendations. When submitting its  
21           final recommendations to the General Assembly, the Commission shall include

1 all public feedback received as an addendum to its final report. The public  
2 feedback process shall include:

3 (A) a minimum 30-day public comment period, during which time  
4 the Commission shall accept written comments from the public and  
5 stakeholders; and

6 (B) a public outreach plan that maximizes public engagement and  
7 includes notice of the availability of language assistance services when  
8 requested.

9 (2) Policy considerations. In developing its recommendations, the  
10 Commission shall consider and prioritize the following topics:

11 (A) Governance, resources, and administration. The Commission  
12 shall study and make recommendations regarding education governance at the  
13 State level, including the role of the Agency of Education in the provision of  
14 services and support for the education system. Recommendations under this  
15 subdivision (A) shall include, at a minimum, the following:

16 (i) whether changes need to be made to the structure of the  
17 Agency of Education, including whether it better serves the recommended  
18 education vision of the State as an agency or a department;

19 (ii) what are the staffing needs of the Agency of Education;

1                    (iii) whether changes need to be made to the composition, role,  
2                    and function of the State Board of Education to better serve the recommended  
3                    education vision of the State;

4                    (iv) what roles, functions, or decisions should be a function of  
5                    local control and what roles, functions, or decisions should be a function of  
6                    control at the State level; and

7                    (v) the effective integration of career and technical education in  
8                    the recommended education vision of the State.

9                    (B) Physical size and footprint of the education system. The  
10                    Commission shall study and make recommendations regarding how the unique  
11                    geographical and socioeconomic needs of different communities should factor  
12                    into the provision of education in Vermont, taking into account and building  
13                    upon the recommendations of the State Aid to School Construction Working  
14                    Group. Recommendations under this subdivision (B) shall include, at a  
15                    minimum, the following:

16                    (i) an analysis and recommendation for the most efficient and  
17                    effective number and location of school buildings, school districts, and  
18                    supervisory unions needed to achieve Vermont’s vision for education,  
19                    provided that if there is a recommendation for any change, the  
20                    recommendation shall include an implementation plan;

1                    (ii) an analysis of the capacity and ability to staff all public  
2                    schools with a qualified workforce, driven by data on class-size  
3                    recommendations;

4                    (iii) analysis of whether, and if so, how, collaboration with  
5                    Vermont’s postsecondary schools may support the development and retention  
6                    of a qualified educator workforce;

7                    (iv) an analysis of the current town tuition program and whether,  
8                    and if so, what, changes are necessary to meet Vermont’s vision for education,  
9                    including the legal and financial impact of funding independent schools and  
10                   other private institutions, including consideration of the following:

11                   (I) the role designation, under 16 V.S.A. § 827, should play in  
12                   the delivery of public education; and

13                   (II) the financial impact to the Education Fund of public dollars  
14                   being used in schools located outside Vermont; and

15                   (v) an analysis of the current use of private therapeutic schools in  
16                   the provision of special education services and whether, and if so, what,  
17                   changes are necessary to meet Vermont’s special education needs, including  
18                   the legal and financial impact of funding private therapeutic schools.

19                   (C) The role of public schools. The Commission shall study and  
20                   make recommendations regarding the role public schools should play in both  
21                   the provision of education and the social and emotional well-being of students.



1 Recommendations under this subdivision (C) shall include, at a minimum, the  
2 following:

3 (i) how public education in Vermont should be delivered;

4 (ii) whether Vermont’s vision for public education shall include  
5 the provision of wraparound supports and collocation of services;

6 (iii) whether, and if so, how, collaboration with Vermont’s  
7 postsecondary schools may support and strengthen the delivery of public  
8 education; and

9 (iv) what the consequences are for the Commission’s  
10 recommendations regarding the role of public schools and other service  
11 providers, including what the role of public schools means for staffing,  
12 funding, and any other affected system, with the goal of most efficiently  
13 utilizing State funds and services and maximizing federal funding.

14 (D) Education finance system. The Commission shall explore the  
15 efficacy and potential equity gains of changes to the education finance system,  
16 including weighted educational opportunity payments as a method to fund  
17 public education. The Commission’s recommendations shall be intended to  
18 result in an education funding system designed to afford substantially equal  
19 access to a quality basic education for all Vermont students in accordance with  
20 State v. Brigham, 166 Vt. 246 (1997). Recommendations under this  
21 subdivision (D) shall include, at a minimum, the following:

- 1                    (i) allowable uses for the Education Fund that shall ensure
- 2                    sustainable and equitable use of State funds;
- 3                    (ii) the method for setting tax rates to sustain allowable uses of the
- 4                    Education Fund;
- 5                    (iii) whether, and if so, what, alternative funding models would
- 6                    create a more affordable, sustainable, and equitable education finance system
- 7                    in Vermont, including the consideration of a statutory, formal base amount of
- 8                    per pupil education spending and whether school districts should be allowed to
- 9                    spend above the base amount;
- 10                   (iv) adjustments to the excess spending threshold, including
- 11                   recommendations that target specific types of spending;
- 12                   (v) the implementation of education spending caps on different
- 13                   services, including administrative and support services and categorical aid;
- 14                   (vi) how to strengthen the understanding and connection between
- 15                   school budget votes and property tax bills;
- 16                   (vii) adjustments to the property tax credit thresholds to better
- 17                   match need to the benefit;
- 18                   (viii) a system for ongoing monitoring of the Education Fund and
- 19                   Vermont’s education finance system, to include consideration of a standing
- 20                   Education Fund advisory committee;

1                    (ix) an analysis of the impact of healthcare costs on the Education  
2                    Fund, including recommendations for whether, and if so, what, changes need  
3                    to be made to contain costs; and

4                    (x) implementation details for any recommended changes to the  
5                    education funding system.

6                    (E) Additional considerations. The Commission may consider any  
7                    other topic, factor, or issue that it deems relevant to its work and  
8                    recommendations.

9                    (f) Reports and proposed legislation. The Commission shall prepare and  
10                    submit to the General Assembly the following:

11                    (1) a formal, written work plan, which shall include a communication  
12                    plan to maximize public engagement, on or before September 15, 2024;

13                    (2) a written report containing its preliminary findings and  
14                    recommendations, including short-term cost containment considerations for the  
15                    2025 legislative session, on or before December 15, 2024;

16                    (3) a written report containing its final findings and recommendations  
17                    for a statewide vision for Vermont’s public education system and the policy  
18                    changes necessary to make that educational vision a reality on or before  
19                    December 1, 2025; and

20                    (4) proposed legislative language to advance any recommendations for  
21                    the education funding system on or before December 15, 2025.

1        (g) Assistance. The Agency of Education shall contract with one or more  
2        independent consultants or facilitators to provide technical and legal assistance  
3        to the Commission for the work required under this section. For the purposes  
4        of scheduling meetings and providing administrative assistance, the  
5        Commission shall have the assistance of the Agency of Education. The  
6        Agency shall also provide the educational and financial data necessary to  
7        facilitate the work of the Commission. School districts shall comply with  
8        requests from the Agency to assist in data collections.

9        (h) Meetings.

10        (1) The Secretary of Education shall call the first meeting of the  
11        Commission to occur on or before July 15, 2024.

12        (2) The Speaker of the House and the President Pro Tempore shall  
13        jointly select a Commission chair.

14        (3) A majority of the membership shall constitute a quorum.

15        (4) Meetings shall be conducted in accordance with Vermont's Open  
16        Meeting Law pursuant to 1 V.S.A. chapter 5, subchapter 2.

17        (5) The Commission shall cease to exist on December 31, 2025.

18        (i) Compensation and reimbursement. Members of the Commission shall  
19        be entitled to per diem compensation and reimbursement of expenses as  
20        permitted under 32 V.S.A. § 1010 for not more than 30 meetings, including

1 subcommittee meetings. These payments shall be made from monies  
2 appropriated to the Agency of Education.

3 Sec. 1a. 2023 Acts and Resolves No. 78, Sec. B.1100 is amended to read:

4 Sec. B.1100 MISCELLANEOUS FISCAL YEAR 2024 ONE-TIME

5 APPROPRIATIONS

6 \* \* \*

7 (r) \$200,000.00 General Fund in fiscal year 2024 to the Agency of  
8 Education for the work of the School Construction Task Force and the  
9 Commission on the Future of Public Education.

10 \* \* \* Yields \* \* \*

11 Sec. 2. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME

12 DOLLAR EQUIVALENT YIELD, AND NONHOMESTEAD

13 PROPERTY TAX RATE FOR FISCAL YEAR 2025

14 For fiscal year 2025 only:

15 (1) Pursuant to 32 V.S.A. § 5402b(b), the property dollar equivalent  
16 yield shall be \$9,893.00.

17 (2) Pursuant to 32 V.S.A. § 5402b(b), the income dollar equivalent yield  
18 shall be \$10,110.00.

19 (3) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of  
20 law to the contrary, the nonhomestead property tax rate shall be \$1.391 per  
21 \$100.00 of equalized education property value.

1           (4)(A) For bills issued for fiscal year 2025, the Commissioner of Taxes  
2           shall increase the property tax credit determined pursuant to 32 V.S.A.  
3           § 6066a(a)(1) and (a)(4) by 13 percent for each claimant. For purposes of this  
4           increase, the credit limitation under 32 V.S.A. § 6067 shall also be increased  
5           by 13 percent.

6           (B) The increase in property tax credit provided under this  
7           subdivision (4) shall not be included in the calculation required under 32  
8           V.S.A. § 5402b(a)(4).

9           Sec. 3. 32 V.S.A. § 9701(7) is amended to read:

10           (7) “Tangible personal property” means personal property that may be  
11           seen, weighed, measured, felt, touched, or in any other manner perceived by  
12           the senses. “Tangible personal property” includes electricity, water, gas,  
13           steam, and prewritten computer software regardless of the method in which the  
14           prewritten computer software is paid for, delivered, or accessed.

15           Sec. 4. REPEAL

16           2015 Acts and Resolves No. 51, Sec. G.8 (prewritten software accessed  
17           remotely) is repealed.

18           Sec. 5. 32 V.S.A. chapter 225, subchapter 4 is added to read:

19                   Subchapter 4. Short-term Rental Impact Surcharge

20           § 9301. IMPOSITION; SHORT-TERM RENTAL IMPACT

21                   SURCHARGE

1        (a) An operator shall collect a surcharge of three percent of the rent of each  
2        occupancy that is a short-term rental. As used in this subchapter, “short-term  
3        rental” means a furnished house, condominium, or other dwelling room or self-  
4        contained dwelling unit rented to the transient, traveling, or vacationing public  
5        for a period of fewer than 30 consecutive days and for more than 14 days per  
6        calendar year. As used in this subchapter, “short-term rental” does not mean  
7        an occupancy in a lodging establishment licensed under 18 V.S.A. chapter 85.

8        (b) The surcharge shall be in addition to any tax assessed under section  
9        9241 of this chapter. The surcharge assessed under this section shall be paid,  
10       collected, remitted, and enforced under this chapter in the same manner as the  
11       rooms tax assessed under section 9241 of this title.

12       Sec. 6. 16 V.S.A. § 4025 is amended to read:

13       § 4025. EDUCATION FUND

14       (a) The Education Fund is established to comprise the following:

15           (1) all revenue paid to the State from the statewide education tax on  
16       nonhomestead and homestead property under 32 V.S.A. chapter 135;

17           (2) [Repealed.]

18           (3) revenues from State lotteries under 31 V.S.A. chapter 14 and from  
19       any multijurisdictional lottery game authorized under that chapter;

20           (4) 25 percent of the revenues from the meals and rooms taxes imposed  
21       under 32 V.S.A. chapter 225;

1 (5) one-third of the revenues raised from the purchase and use tax  
2 imposed by 32 V.S.A. chapter 219, notwithstanding 19 V.S.A. § 11(1);

3 (6) revenues raised from the sales and use tax imposed by 32 V.S.A.  
4 chapter 233; ~~and~~

5 (7) Medicaid reimbursement funds pursuant to subsection 2959a(f) of  
6 this title;

7 (8) land use change tax revenue deposited pursuant to 32 V.S.A.  
8 § 3757(d);

9 (9) uniform capacity tax revenue deposited pursuant to 32 V.S.A.  
10 § 8701(b)(3);

11 (10) wind-powered electric generating facilities tax deposited pursuant  
12 to 32 V.S.A. § 5402c; and

13 (11) revenues from the short-term rental surcharge under 32 V.S.A.  
14 § 9301.

15 \* \* \*

16 Sec. 7. RESERVE FUND ACCOUNT STANDARDS; DISTRICT QUALITY  
17 STANDARDS; RULEMAKING

18 On or before January 1, 2025, the Agency of Education shall initiate  
19 rulemaking pursuant to 3 V.S.A. chapter 25 to update the District Quality  
20 Standards rules contained in Agency of Education, District Quality Standards



1 (CVR 23-020), to include recommended reserve fund account standards. Prior  
2 to initiating rulemaking, the Agency shall consult with local school officials.

3 Sec. 8. AGENCY OF EDUCATION; EDUCATION FINANCE DATA  
4 ANALYST POSITION; INTENT

5 It is the intent of the General Assembly to create a position within the  
6 Agency of Education that will enable the Agency to provide a wider range of  
7 accessible and transparent data related to school budgets and education  
8 spending, including analysis of trends, to school districts, the General  
9 Assembly, and the public at large. It is also the intent of the General Assembly  
10 that the position shall provide robust support to legislative committees and  
11 maintain education finance data calculators and models used within the  
12 education finance system.

13 \* \* \* Ballot Language \* \* \*

14 Sec. 9. 16 V.S.A. § 563 is amended to read:

15 § 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

16 The school board of a school district, in addition to other duties and  
17 authority specifically assigned by law:

18 \* \* \*

19 (11)(A) Shall prepare and distribute annually a proposed budget for the  
20 next school year according to such major categories as may from time to time  
21 be prescribed by the Secretary.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17

\* \* \*

(D) The board shall present the budget to the voters by means of a ballot in the following form:

“Article #1 (School Budget):

Shall the voters of the school district approve the school board to expend \$ \_\_\_\_\_, which is the amount the school board has determined to be necessary for the ensuing fiscal year? ~~It is estimated that this proposed budget, if approved, will result in education spending of \$ \_\_\_\_\_ per equalized pupil. This projected spending per equalized pupil is \_\_\_\_\_% higher/lower than spending for the current year.~~

The \_\_\_\_\_ District estimates that this proposed budget, if approved, will result in per pupil education spending of \$ \_\_\_\_\_, which is \_\_\_\_\_% higher/lower than per pupil education spending for the current year.”

\* \* \*

Sec. 10. REPEAL

2022 Acts and Resolves No. 127, Sec. 8(c) (suspension of ballot language requirement) is repealed.

1 Sec. 11. 32 V.S.A. § 5414 is added to read:

2 § 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

3 (a) Creation. There is created the Education Fund Advisory Committee to  
4 monitor Vermont’s education financing system, conduct analyses, and perform  
5 the duties under subsection (c) of this section.

6 (b) Membership. The Committee shall be composed of the following  
7 members:

8 (1) the Commissioner of Taxes or designee;

9 (2) the Secretary of Education or designee;

10 (3) the Chair of the State Board of Education or designee;

11 (4) two members of the public with expertise in education financing,  
12 who shall be appointed by the Speaker of the House;

13 (5) two members of the public with expertise in education financing,  
14 who shall be appointed by the Committee on Committees;

15 (6) one member of the public with expertise in education financing, who  
16 shall be appointed by the Governor;

17 (7) the President of the Vermont Association of School Business  
18 Officials or designee;

19 (8) one representative from the Vermont School Boards Association  
20 (VSBA) with expertise in education financing, selected by the Executive  
21 Director of VSBA;

1           (9) one representative from the Vermont Superintendents Association  
2           (VSA) with expertise in education financing, selected by the Executive  
3           Director of VSA; and

4           (10) one representative from the Vermont National Education  
5           Association (VTNEA) with expertise in education financing, selected by the  
6           Executive Director of VTNEA.

7           (c) Powers and duties.

8           (1) Annually, on or before December 15, the Committee shall make  
9           recommendations to the General Assembly regarding:

10           (A) updating the weighting factors using the weighting model and  
11           methodology used to arrive at the weights enacted under 2022 Acts and  
12           Resolves No. 127, which may include recalibration, recalculation, adding or  
13           eliminating weights, or any combination of these actions, as necessary;

14           (B) changes to, or the addition of new or elimination of existing,  
15           categorical aid, as necessary;

16           (C) changes to income levels eligible for a property tax credit under  
17           section 6066 of this title;

18           (D) means to adjust the revenue sources for the Education Fund;

19           (E) means to improve equity, transparency, and efficiency in  
20           education funding statewide;

21           (F) the amount of the Education Fund stabilization reserve;

1           (G) school district use of reserve fund accounts; and

2           (H) any other topic, factor, or issue the Committee deems relevant to  
3 its work and recommendations.

4           (2) The Committee shall review and recommend updated weights,  
5 categorical aid, and changes to the excess spending threshold to the General  
6 Assembly not less than every three years, which may include a  
7 recommendation not to make changes where appropriate. In reviewing and  
8 recommending updated weights, the Committee shall use the weighting model  
9 and methodology used to arrive at the weights enacted under 2022 Acts and  
10 Resolves No. 127.

11           (d) Assistance. The Committee shall have the administrative, technical,  
12 and legal assistance of the Department of Taxes and the Agency of Education.

13           (e) Meetings.

14           (1) The Commissioner of Taxes shall call the first meeting of the  
15 Committee to occur on or before July 15, 2025.

16           (2) The Committee shall select a chair from among its members at the  
17 first meeting.

18           (3) A majority of the membership shall constitute a quorum.

19           (f) Compensation and reimbursement. Members of the Committee shall be  
20 entitled to per diem compensation and reimbursement of expenses as permitted  
21 under section 1010 of this title for up to four meetings per year.

1 Sec. 12. REPEAL; EDUCATION FUND ADVISORY COMMITTEE

2 32 V.S.A. § 5414 (Education Fund Advisory Committee) as added by this  
3 act is repealed on July 1, 2034.

4 \* \* \* Common Level of Appraisal; Statewide Adjustments \* \* \*

5 Sec. 13. STATE OUTREACH; STATEWIDE ADJUSTMENTS

6 On or before September 1, 2024, the Secretary of Education, in consultation  
7 with the Commissioner of Taxes, shall conduct outreach to inform school  
8 districts, public education stakeholders, and the general public of the use of  
9 statewide adjustments under this act. The outreach shall include an  
10 explanation of how statewide adjustments are used to calculate tax rates and  
11 how using the statewide adjustment differs from the previous method for  
12 calculating tax rates.

13 Sec. 13a. 32 V.S.A. § 5401 is amended to read:

14 § 5401. DEFINITIONS

15 As used in this chapter:

16 \* \* \*

17 (13)(A) “Education property tax spending adjustment” means the  
18 greater of one or a fraction in which;

19 (i) the numerator is the district’s per pupil education spending plus  
20 excess spending for the school year, and



1           (17) “Statewide adjustment” means the ratio of the aggregate education  
2           property tax grand list of all municipalities to the aggregate value of the  
3           equalized education property tax grand list of all municipalities.

4           Sec. 14. 32 V.S.A. § 5402 is amended to read:

5           § 5402. EDUCATION PROPERTY TAX LIABILITY

6           (a) A statewide education tax is imposed on all nonhomestead and  
7           homestead property at the following rates:

8           (1) The tax rate for nonhomestead property shall be \$1.59 per \$100.00  
9           divided by the statewide adjustment.

10           (2) The tax rate for homestead property shall be \$1.00 multiplied by the  
11           education property tax spending adjustment for the municipality per \$100.00 of  
12           equalized education property value as most recently determined under section  
13           5405 of this title. The homestead property tax rate for each municipality that is  
14           a member of a union or unified union school district shall be calculated as  
15           required under subsection (e) of this section.

16           (b) The statewide education tax shall be calculated as follows:

17           (1) The Commissioner of Taxes shall determine for each municipality  
18           the education tax rates under subsection (a) of this section divided by the  
19           number resulting from dividing the municipality’s most recent common level  
20           of appraisal by the statewide adjustment. The legislative body in each  
21           municipality shall then bill each property taxpayer at the homestead or



1 nonhomestead rate determined by the Commissioner under this subdivision,  
2 multiplied by the education property tax grand list value of the property,  
3 properly classified as homestead or nonhomestead property and without regard  
4 to any other tax classification of the property. Statewide education property  
5 tax bills shall show the tax due and the calculation of the rate determined under  
6 subsection (a) of this section, divided by the number resulting from dividing  
7 the municipality's most recent common level of appraisal by the statewide  
8 adjustment, multiplied by the current grand list value of the property to be  
9 taxed. Statewide education property tax bills shall also include language  
10 provided by the Commissioner pursuant to subsection 5405(g) of this title.

11 (2) Taxes assessed under this section shall be assessed and collected in  
12 the same manner as taxes assessed under chapter 133 of this title with no tax  
13 classification other than as homestead or nonhomestead property; provided,  
14 however, that the tax levied under this chapter shall be billed to each taxpayer  
15 by the municipality in a manner that clearly indicates the tax is separate from  
16 any other tax assessed and collected under chapter 133, including an  
17 itemization of the separate taxes due. The bill may be on a single sheet of  
18 paper with the statewide education tax and other taxes presented separately and  
19 side by side.

20 (3) If a district has not voted a budget by June 30, an interim homestead  
21 education tax shall be imposed at the base rate determined under subdivision

1 (a)(2) of this section, divided by the number resulting from dividing the  
2 municipality’s most recent common level of appraisal by the statewide  
3 adjustment, but without regard to any spending adjustment under subdivision  
4 5401(13) of this title. Within 30 days after a budget is adopted and the  
5 deadline for reconsideration has passed, the Commissioner shall determine the  
6 municipality’s homestead tax rate as required under subdivision (1) of this  
7 subsection.

8 \* \* \*

9 Sec. 15. 32 V.S.A. § 5402b is amended to read:

10 § 5402b. STATEWIDE EDUCATION TAX YIELDS;

11 RECOMMENDATION OF THE COMMISSIONER

12 (a) Annually, ~~no~~ not later than December 1, the Commissioner of Taxes,  
13 after consultation with the Secretary of Education, the Secretary of  
14 Administration, and the Joint Fiscal Office, shall calculate and recommend a  
15 property dollar equivalent yield, an income dollar equivalent yield, and a  
16 nonhomestead property tax rate for the following fiscal year. In making these  
17 calculations, the Commissioner shall assume:

18 (1) the homestead base tax rate in subdivision 5402(a)(2) of this title is  
19 \$1.00 per \$100.00 of equalized education property value;

20 (2) the applicable percentage in subdivision 6066(a)(2) of this title is  
21 2.0;

1           (3) the statutory reserves under 16 V.S.A. § 4026 and this section were  
2 maintained at five percent; ~~and~~

3           (4) the percentage change in the average education tax bill applied to  
4 nonhomestead property and the percentage change in the average education tax  
5 bill of homestead property and the percentage change in the average education  
6 tax bill for taxpayers who claim a credit under subsection 6066(a) of this title  
7 are equal;

8           (5) the equalized education grand list is multiplied by the statewide  
9 adjustment in calculating the property dollar equivalent yield; and

10           (6) the nonhomestead rate is divided by the statewide adjustment.

11           (b) For each fiscal year, the property dollar equivalent yield and the income  
12 dollar equivalent yield shall be the same as in the prior fiscal year, unless set  
13 otherwise by the General Assembly.

14           (c) Annually, on or before December 1, the Joint Fiscal Office shall prepare  
15 and publish an official, annotated copy of the Education Fund Outlook. The  
16 Emergency Board shall review the Outlook at its meetings. As used in this  
17 section, “Education Fund Outlook” means the projected revenues and expenses  
18 associated with the Education Fund for the following fiscal year, including  
19 projections of different categories of educational expenses and costs.

1        (d) Along with the recommendations made under this section, the  
 2        Commissioner shall include the range of per pupil spending between all  
 3        districts in the State for the previous year.

4    \* \* \* Act 84 Amendments \* \* \*

5        Sec. 16. 2024 Acts and Resolves No. 84, Sec. 3(c) is amended to read:

6            (c) Notwithstanding 16 V.S.A. chapter 133, 32 V.S.A. chapter 135, or any  
 7        other provision of law to the contrary, a school district shall receive a decrease  
 8        to its homestead property tax rate in fiscal year 2025 equal to \$0.01 for every  
 9        relative percent decrease calculated under subsection (b) of this section divided  
 10       by the statewide adjustment, rounded to the nearest whole cent. The tax rate  
 11       decrease shall phase out in the following manner:

12           (1) A district shall receive a decrease to its homestead property tax rate  
 13       in fiscal year 2026 equal to 80 percent of the rate decrease it received under  
 14       subsection (b) of this section.

15           (2) A district shall receive a decrease to its homestead property tax rate  
 16       in fiscal year 2027 equal to 60 percent of the rate decrease it received under  
 17       subsection (b) of this section.

18           (3) A district shall receive a decrease to its homestead property tax rate  
 19       in fiscal year 2028 equal to 40 percent of the rate decrease it received under  
 20       subsection (b) of this section.

1 (4) A district shall receive a decrease to its homestead property tax rate  
2 in fiscal year 2029 equal to 20 percent of the rate decrease it received under  
3 subsection (b) of this section.

4 Sec. 17. 2024 Acts and Resolves No. 84, Sec. 3(g) is added to read:

5 (g)(1) In the event that a district with an equalized homestead property tax  
6 rate that was decreased by this section merges with another district or districts,  
7 the combined district shall receive the greatest decrease under the section  
8 available to any of the merged districts.

9 (2) In the event that a district withdraws from a district with an  
10 equalized homestead property tax rate that was decreased by this section, the  
11 withdrawing district shall not receive any decrease under this section and the  
12 remaining district shall continue to have the same decrease in its equalized  
13 homestead property tax rate. If a district is instead dissolved, there shall be no  
14 decreased equalized homestead property tax rate for the resulting districts.

15 \* \* \* Excess Education Spending \* \* \*

16 Sec. 18. 32 V.S.A. § 5401(12) is amended to read:

17 (12) “Excess spending” means:

18 (A) ~~The per-equalized-pupil~~ per pupil spending amount of the  
19 district’s education spending, as defined in 16 V.S.A. § 4001(6), plus any  
20 amount required to be added from a capital construction reserve fund under 24  
21 V.S.A. § 2804(b).

1 (B) In excess of ~~121~~ 118 percent of the statewide average district per  
2 pupil education spending ~~per equalized pupil~~ increased by inflation, as  
3 determined by the Secretary of Education on or before November 15 of each  
4 year based on the passed budgets to date. As used in this subdivision,  
5 “increased by inflation” means increasing the statewide average district per  
6 pupil education spending ~~per equalized pupil~~ for fiscal year ~~2015~~ 2025 by the  
7 most recent New England Economic Project cumulative price index, as of  
8 November 15, for state and local government purchases of goods and services,  
9 from fiscal year ~~2015~~ 2025 through the fiscal year for which the amount is  
10 being determined.

11 Sec. 19. REPEAL

12 2022 Acts and Resolves No. 127, Sec. 8(a) (suspension of laws) is repealed.

13 Sec. 20. 16 V.S.A. § 4001(6)(B) is amended to read:

14 (B) For all bonds approved by voters prior to July 1, 2024, voter-approved  
15 bond payments toward principal and interest shall not be included in  
16 “education spending” for purposes of calculating excess spending pursuant to  
17 32 V.S.A. § 5401(12), ~~“education spending” shall not include:~~

18 (i) ~~Spending during the budget year for:~~

19 (I) ~~approved school capital construction for a project that~~  
20 ~~received preliminary approval under section 3448 of this title, including~~  
21 ~~interest paid on the debt, provided the district shall not be reimbursed or~~

1 ~~otherwise receive State construction aid for the approved school capital~~  
2 ~~construction; or~~

3 ~~(II) spending on eligible school capital project costs pursuant to~~  
4 ~~the State Board of Education’s Rule 6134 for a project that received~~  
5 ~~preliminary approval under section 3448 of this title.~~

6 ~~(ii) For a project that received final approval for State construction~~  
7 ~~aid under chapter 123 of this title:~~

8 ~~(I) spending for approved school capital construction during the~~  
9 ~~budget year that represents the district’s share of the project, including interest~~  
10 ~~paid on the debt; or~~

11 ~~(II) payment during the budget year of interest on funds~~  
12 ~~borrowed under subdivision 563(21) of this title in anticipation of receiving~~  
13 ~~State aid for the project.~~

14 ~~(iii) Spending that is approved school capital construction spending~~  
15 ~~or deposited into a reserve fund under 24 V.S.A. § 2804 to pay future approved~~  
16 ~~school capital construction costs, including that portion of tuition paid to an~~  
17 ~~independent school designated as the public high school of the school district~~  
18 ~~pursuant to section 827 of this title for capital construction costs by the~~  
19 ~~independent school that has received approval from the State Board of~~  
20 ~~Education, using the processes for preliminary approval of public school~~  
21 ~~construction costs pursuant to subdivision 3448(a)(2) of this title.~~

1           ~~(iv) Spending attributable to the cost of planning the merger of a~~  
2           ~~small school, which for purposes of this subdivision means a school with an~~  
3           ~~average grade size of 20 or fewer students, with one or more other schools.~~

4           ~~(v) Spending attributable to the district's share of special education~~  
5           ~~spending that is not reimbursed as an extraordinary reimbursement under~~  
6           ~~section 2962 of this title for any student in the fiscal year occurring two years~~  
7           ~~prior.~~

8           ~~(vi) A budget deficit in a district that pays tuition to a public school~~  
9           ~~or an approved independent school, or both, for all of its resident students in~~  
10           ~~any year in which the deficit is solely attributable to tuition paid for one or~~  
11           ~~more new students who moved into the district after the budget for the year~~  
12           ~~creating the deficit was passed.~~

13           ~~(vii) For a district that pays tuition for all of its resident students~~  
14           ~~and into which additional students move after the end of the census period~~  
15           ~~defined in subdivision (1)(A) of this section, the number of students that~~  
16           ~~exceeds the district's most recent average daily membership and for whom the~~  
17           ~~district will pay tuition in the subsequent year multiplied by the district's~~  
18           ~~average rate of tuition paid in that year.~~

19           ~~(viii) Tuition paid by a district that does not operate a school and~~  
20           ~~pays tuition for all resident students in kindergarten through grade 12, except~~  
21           ~~in a district in which the electorate has authorized payment of an amount~~



1 ~~higher than the statutory rate pursuant to subsection 823(b) or 824(c) of this~~  
2 ~~title.~~

3 ~~(ix) The assessment paid by the employer of teachers who become~~  
4 ~~members of the State Teachers' Retirement System of Vermont on or after July~~  
5 ~~1, 2015, pursuant to section 1944d of this title.~~

6 ~~(x) School district costs associated with dual enrollment and early~~  
7 ~~college programs.~~

8 ~~(xi) Costs incurred by a school district or supervisory union when~~  
9 ~~sampling drinking water outlets, implementing lead remediation, or retesting~~  
10 ~~drinking water outlets as required under 18 V.S.A. chapter 24A.~~

11 \* \* \* Property Tax Credit Claims \* \* \*

12 Sec. 21. PROPERTY TAX CREDIT; ASSET DECLARATION; REPORT

13 On or before December 15, 2024, the Commissioner shall recommend  
14 administrative and policy improvements for property tax credit claims,  
15 including the use of an asset declaration. The report shall be submitted to the  
16 House Committee on Ways and Means and the Senate Committee on Finance.

17 \* \* \* Act 127 Conforming Amendments \* \* \*

18 Sec. 22. 16 V.S.A. § 4016 is amended to read:

19 § 4016. REIMBURSEMENT FOR TRANSPORTATION EXPENDITURES

20 (a) A school district or supervisory union that incurs allowable  
21 transportation expenditures shall receive a transportation reimbursement grant

1 each year. The grant shall be equal to 50 percent of allowable transportation  
2 expenditures; provided, however, that in any year the total amount of grants  
3 under this subsection shall not exceed the total amount of adjusted base year  
4 transportation grant expenditures. The total amount of base year transportation  
5 grant expenditures shall be \$10,000,000.00 for fiscal year 1997, increased each  
6 year thereafter by the annual price index for state and local government  
7 purchases of goods and services. If in any year the total amount of the grants  
8 under this subsection exceed the adjusted base year transportation grant  
9 expenditures, the amount of each grant awarded shall be reduced  
10 proportionately. Transportation grants paid under this section shall be paid  
11 from the Education Fund and shall be added to ~~adjusted~~ education spending  
12 payment receipts paid under section 4011 of this title.

13 \* \* \*

14 (c) A district or supervisory union may apply and the Secretary may pay  
15 for extraordinary transportation expenditures incurred due to geographic or  
16 other conditions such as the need to transport students out of the school district  
17 to attend another school because the district does not maintain a public school.  
18 The State Board shall define extraordinary transportation expenditures by rule.  
19 The total amount of base year extraordinary transportation grant expenditures  
20 shall be \$250,000.00 for fiscal year 1997, increased each year thereafter by the  
21 annual price index for state and local government purchases of goods and

1 services. Extraordinary transportation expenditures shall not be paid out of the  
2 funds appropriated under subsection (b) of this section for other transportation  
3 expenditures. Grants paid under this section shall be paid from the Education  
4 Fund and shall be added to ~~adjusted~~ education spending payment receipts paid  
5 under section 4011 of this title.

6 Sec. 23. 16 V.S.A. § 4026 is amended to read:

7 § 4026. EDUCATION FUND BUDGET STABILIZATION RESERVE;

8 CREATION AND PURPOSE

9 (a) It is the purpose of this section to reduce the effects of annual variations  
10 in State revenues upon the Education Fund budget of the State by reserving  
11 certain surpluses in Education Fund revenues that may accrue for the purpose  
12 of offsetting deficits.

13 \* \* \*

14 (e) The enactment of this chapter and other provisions of the Equal  
15 Educational Opportunity Act of which it is a part have been premised upon  
16 estimates of balances of revenues to be raised and expenditures to be made  
17 under the act for such purposes as ~~adjusted~~ education spending payments,  
18 categorical State support grants, provisions for property tax income sensitivity,  
19 payments in lieu of taxes, current use value appraisals, tax stabilization  
20 agreements, the stabilization reserve established by this section, and for other  
21 purposes. If the stabilization reserve established under this section should in

1 any fiscal year be less than 5.0 percent of the prior fiscal year’s appropriations  
2 from the Education Fund, as defined in subsection (b) of this section, the Joint  
3 Fiscal Committee shall review the information provided pursuant to 32 V.S.A.  
4 § 5402b and provide the General Assembly its recommendations for change  
5 necessary to restore the stabilization reserve to the statutory level provided in  
6 subsection (b) of this section.

7 Sec. 24. 16 V.S.A. § 4028 is amended to read:

8 § 4028. FUND PAYMENTS TO SCHOOL DISTRICTS

9 (a) On or before September 10, December 10, and April 30 of each school  
10 year, one-third of the ~~adjusted~~ education spending payment under section 4011  
11 of this title shall become due to school districts, except that districts that have  
12 not adopted a budget by 30 days before the date of payment under this  
13 subsection shall receive one-quarter of the base education amount and upon  
14 adoption of a budget shall receive additional amounts due under this  
15 subsection.

16 \* \* \*

17 \* \* \* Overpayment of Education Taxes \* \* \*

18 Sec. 24a. COMPENSATION FOR OVERPAYMENT

19 (a) Notwithstanding any provision of law to the contrary, the sum of  
20 \$29,224.00 shall be transferred from the Education Fund to the Town of  
21 Canaan in fiscal year 2025 to compensate the homestead taxpayers of the

1 Town of Canaan for an overpayment of education taxes in fiscal year 2024 due  
2 to erroneous accounting of certain students for the purposes of calculating  
3 average daily membership. The transfer under this subsection shall be made  
4 directly to the Town of Canaan.

5 (b) Notwithstanding any provision of law to the contrary, the sum of  
6 \$5,924.00 shall be transferred from the Education Fund to the Town of  
7 Bloomfield in fiscal year 2025 to compensate the homestead taxpayers of the  
8 Town of Bloomfield for an overpayment of education taxes in fiscal year 2024  
9 due to erroneous accounting of certain students for the purposes of calculating  
10 average daily membership. The transfer under this subsection shall be made  
11 directly to the Town of Bloomfield.

12 (c) Notwithstanding any provision of law to the contrary, the sum of  
13 \$2,575.00 shall be transferred from the Education Fund to the Town of  
14 Brunswick in fiscal year 2025 to compensate the homestead taxpayers of the  
15 Town of Brunswick for an overpayment of education taxes in fiscal year 2024  
16 due to erroneous accounting of certain students for the purposes of calculating  
17 average daily membership. The transfer under this subsection shall be made  
18 directly to the Town of Brunswick.

19 (d) Notwithstanding any provision of law to the contrary, the sum of  
20 \$6,145.00 shall be transferred from the Education Fund to the Town of East  
21 Haven in fiscal year 2025 to compensate the homestead taxpayers of the Town

1 of East Haven for an overpayment of education taxes in fiscal year 2024 due to  
2 erroneous accounting of certain students for the purposes of calculating  
3 average daily membership. The transfer under this subsection shall be made  
4 directly to the Town of East Haven.

5 (e) Notwithstanding any provision of law to the contrary, the sum of  
6 \$2,046.00 shall be transferred from the Education Fund to the Town of Granby  
7 in fiscal year 2025 to compensate the homestead taxpayers of the Town of  
8 Granby for an overpayment of education taxes in fiscal year 2024 due to  
9 erroneous accounting of certain students for the purposes of calculating  
10 average daily membership. The transfer under this subsection shall be made  
11 directly to the Town of Granby.

12 (f) Notwithstanding any provision of law to the contrary, the sum of  
13 \$10,034.00 shall be transferred from the Education Fund to the Town of  
14 Guildhall in fiscal year 2025 to compensate the homestead taxpayers of the  
15 Town of Guildhall for an overpayment of education taxes in fiscal year 2024  
16 due to erroneous accounting of certain students for the purposes of calculating  
17 average daily membership. The transfer under this subsection shall be made  
18 directly to the Town of Guildhall.

19 (g) Notwithstanding any provision of law to the contrary, the sum of  
20 \$20,536.00 shall be transferred from the Education Fund to the Town of Kirby  
21 in fiscal year 2025 to compensate the homestead taxpayers of the Town of

1 Kirby for an overpayment of education taxes in fiscal year 2024 due to  
2 erroneous accounting of certain students for the purposes of calculating  
3 average daily membership. The transfer under this subsection shall be made  
4 directly to the Town of Kirby.

5 (h) Notwithstanding any provision of law to the contrary, the sum of  
6 \$2,402.00 shall be transferred from the Education Fund to the Town of  
7 Lemington in fiscal year 2025 to compensate the homestead taxpayers of the  
8 Town of Lemington for an overpayment of education taxes in fiscal year 2024  
9 due to erroneous accounting of certain students for the purposes of calculating  
10 average daily membership. The transfer under this subsection shall be made  
11 directly to the Town of Lemington.

12 (i) Notwithstanding any provision of law to the contrary, the sum of  
13 \$11,464.00 shall be transferred from the Education Fund to the Town of  
14 Maidstone in fiscal year 2025 to compensate the homestead taxpayers of the  
15 Town of Maidstone for an overpayment of education taxes in fiscal year 2024  
16 due to erroneous accounting of certain students for the purposes of calculating  
17 average daily membership. The transfer under this subsection shall be made  
18 directly to the Town of Maidstone.

19 (j) Notwithstanding any provision of law to the contrary, the sum of  
20 \$4,349.00 shall be transferred from the Education Fund to the Town of Norton  
21 in fiscal year 2025 to compensate the homestead taxpayers of the Town of

1 Norton for an overpayment of education taxes in fiscal year 2024 due to  
2 erroneous accounting of certain students for the purposes of calculating  
3 average daily membership. The transfer under this subsection shall be made  
4 directly to the Town of Norton.

5 (k) Notwithstanding any provision of law to the contrary, the sum of  
6 \$2,657.00 shall be transferred from the Education Fund to the Town of Victory  
7 in fiscal year 2025 to compensate the homestead taxpayers of the Town of  
8 Victory for an overpayment of education taxes in fiscal year 2024 due to  
9 erroneous accounting of certain students for the purposes of calculating  
10 average daily membership. The transfer under this subsection shall be made  
11 directly to the Town of Victory.

12 \* \* \* Effective Dates \* \* \*

13 Sec. 25. EFFECTIVE DATES

14 (a) This section and the following sections shall take effect on passage:

15 (1) Sec. 2 (property tax rates and yields);

16 (2) Sec. 13 (State outreach; statewide adjustments); and

17 (3) Sec. 17 (Act 84 application to district mergers, withdrawals, and  
18 dissolutions).

19 (b) Secs. 13a–16 (CLA effect on tax rates and statewide adjustment) and  
20 19 (repeal of excess spending suspension) shall take effect July 1, 2025.



1        (c) Sec. 9 (16 V.S.A. § 563; powers of school boards; form of vote) shall  
2        take effect July 1, 2024, provided, however, that 16 V.S.A. § 563(11)(D) shall  
3        not apply to ballots used for fiscal year 2025 budgets.

4        (d) Sec. 5 (32 V.S.A. chapter 225, subchapter 4) shall take effect August 1,  
5        2024.

6        (e) All other sections shall take effect on July 1, 2024.